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BIND SHELF

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**CORRECTION**

Vol 15, No 4, April 1985
Page 130, Column 1
Line 53 should read:
be launched by an Ariane launch vehicle from Kourou

## Prosecution of Offences Bill

**The Prosecution of Offences Bill, which has already completed its passage through the House of Lords, was given a second reading in the Commons on 16 April. Its main objective is to establish a Crown prosecution service for England and Wales which would be wholly independent of the police.[1] It also makes new provision for the award of costs in criminal cases; and enables limits to be imposed on the time taken to bring criminal cases to trial. It is proposed to bring the new service intc operation by October 1986.**

A report by a firm of management consultants into the structure and working methods of the Crown prosecution service was published in May.[2]

### MAIN PROVISIONS OF THE BILL

The Bill gives effect to the proposals set out in the White Papers *An Independent Prosecution Service for England and Wales*, published in October 1983 (see pp 356-7, 1983), and *The Distribution of Functions between the Headquarters and Local Offices of the Proposed Crown Prosecution Service*, published in December 1984 (see p 28, 1985).

Part I of the Bill establishes the general framework for the Crown prosecution service which would be responsible for the conduct of all criminal proceedings instituted by the police. The head of the service would be the Director of Public Prosecutions who, under the superintendence of the Attorney General, would appoint the chief Crown prosecutors, for the most part each covering a police area. The Director would be required to issue a code of guidance to Crown prosecutors on the general principles governing certain decisions in the conduct of cases and any alterations to it; he would report annually to the Attorney General who would lay the report before Parliament. Provision is also made for the transfer of existing staff in prosecuting solicitors' departments to the new service.

Part II modifies the provisions governing costs in criminal cases. The new service would be funded directly from money voted by Parliament. Awards of costs from central funds would, therefore, no longer be available to the prosecution in cases instituted by the police. The same general policy would govern the prosecution functions of other public authority prosecutors, while the powers of the courts to award private prosecutors their costs from central funds would be retained. Part II also widens considerably the scope for granting costs from central funds to successful defendants charged with summary offences. Provision is also made to enable the courts to award costs against any party who has put an opponent to unnecessary expense.

Part III contains some procedural changes, the most important of which is to introduce a scheme of time-limits on the preliminary stages of criminal proceedings, that is from arrest up to commencement of trial. (There are already statutory limits on the period before trial in Scotland – generally referred to as the '110 day rule'.) Two kinds of limits could be prescribed: custody time-limits on the maximum period for which an accused person might be remanded or committed in custody in proceedings for the same offence; and overall time-limits on the period the prosecution would be allowed to complete each stage of the proceedings. Field trials are to be set up to determine the appropriate limits that should eventually be established.

### PARLIAMENTARY DEBATE

#### Home Secretary's Speech

Opening the debate on the second reading of the Bill (*Hansard*, Vol 77, No 97, cols 149-217), the Home Secretary, Mr Leon Brittan, said that the changes introduced by the Bill, immediately following the enactment of the Police and Criminal Evidence Act 1984 (see pp 400-4, 1983 and 397-9, 1984), showed the Government's acceptance of the view of the Royal Commission on Criminal Procedure that adequate and modernised police powers must be accompanied by safeguards against any misuse of those powers, and its acceptance of the Commission's belief that the time had come to introduce a prosecution system which was wholly independent of the police (see pp 29-31, 1981). Taken together, the two enactments would amount to the most far-reaching reform of criminal procedures this century.

Mr Brittan said that the introduction of the Crown prosecution service was designed to improve openness and accountability, to increase consistency in prosecution policy, and to contribute to the timely and effective prosecution of offences. He said that it was

[1] This has long existed in Scotland which has its own legal system.

[2] *Setting a Direction for the Crown Prosecution Service: Recommendations for Management by Arthur Anderson and Company Management Consultants.* Available from the Library, Home Office, Queen Anne's Gate, London SW1H 9AT. £5·50.

important to stress that a national service need not be a centralised one; the Crown prosecution service would have strong local elements. Under the new arrangements it would be possible for more decisions to be taken locally, with some cases which were now referred to the Director of Public Prosecutions being conducted by the local Crown prosecutor. Examples included straightforward murder cases, perjury, kidnapping and serious robberies.

The Home Secretary then referred to the proposal originally contained in the Bill which would have given the Attorney General power to refer to the Court of Appeal any Crown court sentence which appeared to be excessively lenient. This had been rejected in the House of Lords and the Government did not intend to reintroduce the provision during the remaining stages of the Bill. However, public interest in sentencing was strong and persistent and to ignore it would do the country no service. He would have the matter very much in mind in preparing the Criminal Justice Bill to be introduced later in the present Parliament.

Turning to the subject of time-limits, Mr Brittan spoke of the 'urgent and compelling problem' of delays in bringing cases to trial. The number of prisoners awaiting trial in England and Wales had increased from 4,000 in 1979 to 8,000 at present, with some prisoners waiting in custody for over a year. All unnecessary delays were against the interests of justice and the case for speedy trials was overwhelming. The time-limits must be both tight and realistic. The court would have the power to extend time-limits but only if it were satisfied that there was good reason and that the prosecution had acted with expedition. Where the delay was caused by the defence, the prosecution could expect to have its application for an extension granted.

After the custody limit was reached, the accused person would be released on bail, and if an overall limit was reached, the accused person would be treated as having been acquitted. This was the only ultimate sanction to compel the prosecution to meet a time-limit.

### Opposition Views

Mr John Morris, the official Opposition spokesman on legal affairs, said that while he welcomed the establishment of an independent prosecution service, he considered that, within five years of its operation, there should be an independent inquiry into its working. He welcomed the proposals to set time-limits for the prosecution of criminal offences but wished that they were more definite and left less to experiment. He referred to the new responsibilities of the Attorney General and the Director of Public Prosecutions and said that the question of accountability to Parliament needed further examination.

Mr Robert Maclennan, for the Social Democratic Party, also welcomed the Bill, but criticised the proposal that the Attorney General should settle the fees of prosecuting counsel by regulation, considering it preferable that the Lord Chancellor should continue to fix the level of fees for prosecuting counsel as he did for defence counsel. He considered that the responsibility for setting time-limits should rest not with the Secretary of State but with the Lord Chancellor, as it was desirable that all aspects of the administration of criminal justice should effectively be in the hands of a single department.

## Shorter Notes

### REPATRIATION OF PRISONERS

The United Kingdom has ratified the Council of Europe Convention on the Transfer of Sentenced Persons which will come into force, for the United Kingdom, on 1 August. The Convention, which was signed by the Government in August 1983, provides for the transfer of convicted prisoners to serve their sentences in their own countries. Transfers can take place between countries which have ratified the Convention and only with the consent of the prisoner and of both states concerned. The aim of repatriation is purely humanitarian: to enable prisoners to serve their sentences in their home countries, where they can be visited by their relatives and friends, where their imprisonment will not be aggravated by problems of language, foreign food and customs, and where they can be better prepared for return to life in the community.

British prisoners transferred to the United Kingdom under the Convention will continue to serve in this country the sentence imposed abroad, subject to the maximum term that could have been imposed if the offence had been committed in the United Kingdom. They will be eligible for remission and for consideration for parole in the normal way.

British citizens serving prison sentences abroad and foreign prisoners serving sentences in the United Kingdom will be informed once repatriation arrangements are in force and will be advised how to proceed if they wish to be considered for transfer. The Convention provides that normally prisoners may be transferred only if they still have at least six months of their sentence to serve, but this requirement can be waived in exceptional cases if both states agree.

Sweden, France, Spain and the United States have already ratified the Convention, and transfers between the United Kingdom and these countries will therefore be possible from 1 August. Thirteen other member states of the Council of Europe, together with Canada, have signed the Convention, and non-member states can accede to it at the invitation of the other parties.

Source: Home Office press notice, 30.4.85.

### INCREASING EFFICIENCY IN COURT PROCEEDINGS

Under new rules coming into force on 20 May, people in England and Wales who are charged with offences which can be tried 'either way' – that is summarily in the magistrates' court or on indictment before a jury in the Crown Court – will in future be entitled on request to receive advance information on the case against them. (There are three categories of offences: those triable only in the Crown Court; those triable only in the magistrates' court; and those triable either in the Crown Court or – with the consent of the accused person and the court – in the magistrates' court.)

Hitherto only defendants who were to appear before a jury have been entitled to have advance notice of the prosecution case to be made against them, a procedure which has led to numbers of defendants

opting, in cases where they could be tried 'either way', for trial by jury so that they could better assess their prospects of conviction or acquittal. This has resulted in unnecessary and increased pressure on the Crown Courts, since many defendants, having opted for trial by jury, have pleaded guilty after learning the strength of the case against them.

The implementation of these rules marks the final stage of the implementation of the Criminal Law Act 1977 (see pp 335-7, 1977). Under the new rules, adults wishing to obtain advance disclosure will have to request it before the point at which they have to opt for summary or jury trial. Juveniles will have to request disclosure before they plead. Prosecutors will have the choice of disclosure either by a summary of the case or by copies of witness statements. The rules will be reconsidered in the light of experience and no later than at the time of the introduction of the proposed Crown prosecution service (see p 147), with a view to the introduction of a single method of advance disclosure in all cases. For the present, information will be provided by the police and prosecuting solicitors' departments. When the Crown prosecution service comes into operation it will be responsible for advance disclosure.

Commenting on the new rules, the Home Secretary, Mr Leon Brittan, said that pilot schemes testing the effects of such disclosures had had very favourable results and he was convinced that accused persons would benefit because they would be able to make informed decisions both on the method of trial and on the way to plead. He also considered the criminal justice system would benefit, since many more defendants were likely to decide either to plead guilty or elect to be tried by magistrates, thus reducing the number of cases going to the Crown Court and speeding up the flow of cases through the courts.

Sources: *The Magistrates' Courts (Advance Information) Rules 1985*, HMSO, 80p. ISBN 0 11 056601 7; Home Office press notice, 25.4.85.

## POLICE COMPLAINTS AUTHORITY

The Police Complaints Authority for England and Wales, which was established under the Police and Criminal Evidence Act 1984 (see pp 397-9, 1984), came into operation on 29 April.

The Authority, which has the same powers as its predecessor, the Police Complaints Board, on the question of whether disciplinary charges should be preferred against a police officer who has been the subject of a complaint, has new powers to supervise the investigation of the most serious types of complaints against police officers. As before, the investigation of a complaint will be carried out by a senior police officer. The Authority, none of whose members may include anyone who is or has been a constable in any part of the United Kingdom, is required to supervise any case alleging death or serious injury and has the discretion to supervise complaints that a police officer has committed assault causing actual bodily harm (a category of offence which must be referred to the Authority). It also has discretion to supervise any other case where it is in the public interest to do so. In addition chief constables may refer to the Authority incidents which have not given rise to a complaint, but whose investigation would benefit from independent supervision. The Authority has the power to approve or veto the appointment of the investigating police officer and is able to give direction on the conduct of any inquiry. At the conclusion of any investigation the Authority is required to certify whether or not it is satisfied with the handling of the case. Chief constables are required to refer to the Authority for its approval their decisions on the disciplinary action which would follow investigation of a complaint.

The Authority also has an important role in relation to the suspension of senior police officers. In future, any decision by a police authority to suspend a chief constable, deputy chief constable or assistant chief constable will be subject to the ratification of the Authority.

Sir Cecil Clothier, KCB, QC, the former Parliamentary Commissioner for Administration and Health Service Commissioner, has been appointed as the Complaints Authority's first chairman, and he will be assisted by nine full-time members. The annual cost of the organisation will be about £1·6 million.

As provided for in the Police and Criminal Evidence Act 1984, other changes in police disciplinary arrangements come into force on 29 April: racially discriminatory behaviour is now a specific offence under the police discipline code; and there are new safeguards for police officers facing disciplinary proceedings, including a right to legal representation when facing serious punishment and wider rights to a tribunal hearing.

Sources: Home Office press notices, 24.4.85 and 29.4.85.

# Prime Minister's Visit to South and South-East Asia

**Britain's trade relations and its aid to developing countries were the main themes of a speech given to a session of the Sri Lankan Parliament by the Prime Minister, Mrs Margaret Thatcher, on 13 April.**

During her visit to South and South-East Asia from 5 to 14 April, Mrs Thatcher visited Malaysia, Singapore, Indonesia and Sri Lanka, made brief stops in Brunei and India and had talks with the leaders of each of the five nations. Mrs Thatcher also paid a brief visit to Saudi Arabia before returning to Britain.

The first British prime minister to visit Indonesia and the first since independence to visit Malaysia, Mrs Thatcher discussed Britain's trade relations with and aid to the countries visited, East-West relations, the problem of terrorism, and other international questions. Mrs Thatcher attended a welcoming banquet in Kuala Lumpur on 5 April, and, following a visit on 12 April in Sri Lanka to the Victoria Dam and Hydro-electric Project, which is supported by British aid, the Prime Minister addressed the Sri Lankan Parliament in Colombo.

In a written statement to the House of Commons on 16 April on her visit (*Hansard*, Vol 77, No 97, cols 133-4), Mrs Thatcher said that she had been struck by the rapid and exciting economic growth of the South-East Asian countries and was certain that there were good opportunities for co-operation and trade between them and Britain. All the countries visited had important links with Britain, either through trade or as members of the Commonwealth, and the visit had deepened Britain's relations with them and had helped to create new opportunities for trade.

### The Prime Minister's Speech to the Sri Lankan Parliament

The need to preserve an open international trading system and the democratic tradition and ideals which Britain shared with Sri Lanka were major themes of the Prime Minister's address to the Sri Lankan Parliament on 13 April. She referred to the flourishing and vibrant states of South-East Asia which had proved that democracy and economic freedom went hand in hand. There could be no more convincing demonstration of the success of that partnership than the examples of economic growth apparent in the countries she had recently visited; democracy was a foundation on which enterprise could build and innovation flourish.

*Trade*

Welcoming Sri Lanka's readiness to open its market to productive investment, Mrs Thatcher said that Britain accepted that it also must keep its markets open to trade despite the difficulties which this could often place on some sectors of the economy. The British market was open to the world, with 80 per cent of imported goods entering duty free and less than 7 per cent being subject to non-tariff restraints. During a recent visit to the United States (see p 70), she had urged the United States Congress to resist pressures for protectionist measures and had recalled that the West could not preach economic adjustment for developing countries while refusing to practise it at home. That was why Britain supported moves for a new round of multilateral trade negotiations in the General Agreement on Tariffs and Trade (GATT). The momentum of trade liberalisation needed to be sustained and extended into new fields. A new round of trade talks had to address the major preoccupations of all the members of GATT and she hoped that the developing countries would state clearly which items they wanted to pursue. As with the previous rounds of negotiations, which had done so much to free world trade and spread prosperity, the new round had to be a process of give and take.

[Speaking on the same subject at a banquet in Malaysia on 5 April, Mrs Thatcher had referred to the need for the members of the Association of South-East Asian Nations (ASEAN) to assume increasing responsibility for keeping open the world trading system which had brought such immense benefits to them and Britain. Britain, she said, shared ASEAN's interest in removing the obstacles to world trade and hoped for an even closer co-operation on economic and political problems. In particular, Britain very much hoped that ASEAN would participate fully in any new round of GATT negotiations.]

*Aid*

Referring to her visit of the previous day to the inauguration of the Victoria Dam (see p 151), Mrs Thatcher said that Britain was proud of its aid programme, which since 1977 had contributed over £150 million towards Sri Lankan development. The dam was a monument to Britain's concern for the future well-being of Sri Lanka and to the ability of British firms to contribute to the development of its economy. It was particularly rewarding that British and Sri Lankan

people had worked side by side to achieve such a bold and encouraging development. Britain had decided to offer a further £20 million of aid to Sri Lanka, which would be used over the coming years to strengthen its economy for the benefit of all its people. In addition, Britain would provide special aid to the Save the Children Fund to help those who had suffered from the recent troubles in Sri Lanka.[1] Referring to the many bonds which linked Sri Lanka with Britain through the Commonwealth, Mrs Thatcher drew attention to President's Jayewardene's suggestion that English should be given the status of an official language in the island. The British Council, celebrating 50 years there, would be delighted to help in this respect by expanding its English-language teaching programme.

*Democracy and Terrorism*

A shared commitment to democracy was central to the tradition of the Commonwealth, Mrs Thatcher said, but democratic values could not be taken for granted. Both Sri Lanka and Britain had been victims of terrorist violence, and a firm response to those who used violence, and who tried to achieve with the bullet what they could not do through the ballot, was vital.

Freedom, which meant more than just the freedom to argue and disagree, carried with it 'a responsibility to assert and champion those great values that are the sinews of parliamentary democracy and which enable us to live in harmony with one another'. Governments had to stand ready to work with those in minority communities who were willing to argue their cause peacefully and democratically, since the complex problems that arose between communities could only be settled through consultation and reconciliation. 'Democracy depends on the resolution of issues, however difficult, through debate; the recognition of the interests of all those involved. In democracy, all have a right to be heard, but then, fair decisions have to be made and upheld.'

It had been Europe's experience, Mrs Thatcher continued, that co-operation between neighbours through regional organisations and associations had an even greater contribution to make to stability and to economic progress. The spirit of good neighbourliness was needed in greater measure than ever in order to secure a more stable world in which individual countries could concentrate on their development free from the fear of conflict.

*East-West Relations*

Sri Lanka and Britain had a common interest in efforts to reduce tension between East and West, Mrs Thatcher said. In today's world, no country could insulate itself entirely from the consequences of the competition between East and West, between tyranny and democracy. It was up to every democratic country to decide how it could most effectively contribute to the defence of freedom and justice and to helping those who knew neither to achieve both. 'For some, like Britain, it is by joining an alliance of like-minded nations. For others, it can be through speaking up at the United Nations and other international organisations.' Britain sought peace, but not peace at any price, through the sacrifice of freedom and justice and everything which contributed to the dignity of man.

[1]A reference to recent civil disturbance generated by stress between the Sinhalese and Tamil communities in Sri Lanka.

Referring to the current arms control talks being held in Geneva (see p 103), Mrs Thatcher said that she knew, from talks with the US and Soviet leaders, that both were convinced that another world war – nuclear or conventional – must never take place. Britain believed that a basis could be found to assure the security of both East and West at a lower level of armaments, 'but we must guard against facile assumptions that nuclear weapons are uniquely evil and threatening. Deterrence based upon them has worked for the last 40 years and they have played an important part in maintaining peace in Europe.' A world without nuclear weapons would not necessarily be more peaceful, since, after all, conventional wars had killed 10 million people throughout the world since 1945.

## BACKGROUND

The total value of British exports to Sri Lanka, Malaysia, Indonesia and Singapore rose from £590 million in 1979 to £1,087 million in 1984. Total British imports were worth £503 million in 1979 and £1,066 million in 1984. The three South-East Asian countries, Malaysia, Indonesia and Singapore, enjoy rapid economic growth, offering good prospects for the expansion of world trade, and as such, occupy an important place in Britain's overseas trade. Many British companies are active in the region, particularly in the fields of biotechnology, communications, transportation, water schemes and aerospace. Under the British aid programme's Aid and Trade Provision (see p 298, 1984), funds are made available to support sound developmental projects of commercial and industrial importance to British firms. The provision assists British companies to compete for contracts in developing countries where it can be demonstrated that a project will contribute to the recipient country's development.

British bilateral aid assists development projects in Sri Lanka, Malaysia and Indonesia. Programmes have attempted to combine direct help to the poorest sections of the community and the large-scale assistance required for the development of agricultural, industrial and infrastructural resources. In addition, the Commonwealth Development Corporation (CDC), which promotes economic development by investing in productive public or private sector projects in developing countries and receives loans from the aid programme at concessional rates of interest, is active in the region.

### Sri Lanka

The Prime Minister's attendance at the inauguration of the Victoria Dam and hydroelectric scheme near Kandy, a project which will bring an increased standard of living and prosperity to many Sri Lankans, represented the culmination of the combined efforts of several British contractors and consultants who have completed their work with the assistance of a £113 million grant from Britain's aid programme. At the time of its inception in 1979, the scheme was Britain's largest single aid commitment.

The project is part of Sri Lanka's Mahaweli development scheme, one of Asia's most ambitious development programmes, which is designed to irrigate and resettle some 45,000 hectares and to increase installed power capacity by 420 megawatts. The scheme involves diversions from the island's largest river, the Mahaweli Ganga; a new irrigation network, utilising many ancient canals and reservoirs; and land clearance

and resettlement, backed up by improved water management and cultivation methods. The project will increase Sri Lanka's power-generating capacity by about a third, thereby benefiting general economic development including the new investment promotion zones aimed at encouraging export industries.

The British grant has largely financed the construction of the dam, a pressure tunnel and power station by three British civil engineering companies – Balfour Beatty Construction Limited and Edmund Nuttall Limited, in joint venture, and Costain International Limited. In addition, all the mechanical and electrical equipment was provided and installed by British companies, among them Boving and Co Limited, GEC Large Machines and NEI Reyrolle. Consulting engineers for the Victoria scheme are Sir Alexander Gibb and Partners in association with Preece Cardew and Rider, part of the Ewbank Preece Consulting Group.

A further government grant under the Aid and Trade Provision is supporting the British content, worth over £18 million, of a £23 million contract won in 1984 to expand and improve the facilities at Sri Lanka's Colombo airport. The work is being undertaken by a consortium of British airport equipment manufacturers led by GEC Electrical Projects. Part of the remaining finance will be provided by a British credit loan backed by the Export Credits Guarantee Department.[1]

British aid also helps in other fields of economic and social development in Sri Lanka, including improvements to the railway network and to an urban water-supply system, as well as assistance with the exploitation of coconuts – one of the island's major agricultural products – and with improving grain-storage facilities. In the field of education, Britain supports three 'link' arrangements between British and Sri Lankan universities as well as a programme of training for Sri Lankans in key sectors of the economy and in 1983 the British Council initiated planning for an expanded programme of assistance to English-language teaching in the island.

Britain enjoys a strong traditional trading relationship with Sri Lanka and, until 1979, was Sri Lanka's best customer, largely through the purchase of plantation products. The total value of British exports, mainly chemicals, machinery and transport equipment and other manufactured goods, was £61 million in 1984. British imports, mainly tea, totalled £77 million.

## Malaysia

Since its formation in 1963, Malaysia has had one of the most successful economic records in Asia. The economy has experienced considerable real growth; in 1983, the gross domestic product grew by 5·6 per cent. Malaysia is rich in resources, being the world's largest exporter of rubber, palm oil, tin and pepper, and a leading exporter of timber. In addition, oil production has increased rapidly since 1977 and is now Malaysia's leading export earner.

Britain is Malaysia's fourth largest trading partner after Japan, Singapore and the United States. Total British exports have increased from £187 million in 1979 to £283 million in 1984 and consist mainly of transport equipment, electrical machinery, chemicals and medical products. British imports, which include crude rubber, vegetable oils and fats and cork and timber products, totalled £320 million in 1984.

British investment in Malaysia is conservatively estimated at £1,500 million; in 1983 approved applications for new British investment in the industrial sector amounted to M$70 million (£23 million), and were higher than from any other country. Many British investments include the transfer of technology and training which is particularly welcomed by Malaysia.

Among the British firms operating in Malaysia is Teamwork Corporation, an associate company of Taylor Woodrow, who have recently completed a £28·5 million terminal building at Kuala Lumpur airport and are also working on a £25 million shop, office and car park development for Fima Supermarkets, one of the largest and most prestigious building developments in the country.

British bilateral aid to Malaysia, including technical co-operation, amounted to almost £4 million in 1983 and included support for over 450 graduate and post-graduate students out of a total of some 14,000 Malaysian students attending British universities and other educational institutions. The CDC, which has been active in Malaysia's development since 1949, has investments in several agricultural projects and in plantations producing oil palm, cocoa, rubber and coconuts and their associated processing factories at Mostyn and Tawau. The CDC is also involved in the development of industrial, commercial and housing estates in Sabah and Sarawak and in the construction of the Connaught Bridge Power Station in Klang and the Temengor, Bersia and Kenering hydroelectric schemes in Perak.

## Indonesia

Although it is not a traditional trading partner of Britain, Indonesia, with a population of 156·7 million and substantial reserves of oil and gas and vast timber, mineral and agricultural resources, offers a major market to Britain. British businessmen in increasing numbers are visiting Indonesia, where opportunities also exist in the invisible sector in the transfer of technology, particularly in the aircraft, shipbuilding, automotive, electronics and telecommunications industries.

British exports to Indonesia have increased rapidly, in value terms, rising from £77 million in 1979 to £187 million in 1984 and consist mainly of chemicals, specialised machinery and transport equipment. Imports, consisting mainly of tea, cork and wood, petroleum and non-ferrous metals, rose from £56 million in 1979 to £181 million in 1984.

In 1982, under the Aid and Trade Provision, the British Government agreed to provide £12 million for the construction of a hydroelectric scheme at Mrica in central Java. Two British companies – Balfour Beatty and Boving – are jointly responsible with two Swedish companies for the civil engineering work and electrical and mechanical work respectively. The scheme includes a 180-megawatt power plant and dam which should be commissioned in 1987. In 1984, a grant of nearly £1 million was approved for a major study of the railway system in the Jakarta region; it is being carried out by three British companies and is a preliminary to a phased nine-year railway modernisation programme, including a mass transit system.

Also in Java, under Britain's aid programme to Indonesia (over £12 million in 1983, making it the largest non-Commonwealth recipient of British aid),

[1]The Export Credits Guarantee Department provides credit insurance for about one-third of Britain's export trade and insures exporters of both goods and services against non-payment by overseas buyers.

teams of British consultants have been working on the design, construction and operation of new dams and canals, as well as on the rehabilitation and extension of existing irrigation systems. Some 2 million people will benefit from the new or improved irrigation facilities, which in some cases will mean a second annual crop of rice, as well as extra vegetables or maize, for Indonesia's farmers.

Among CDC investments in Indonesia is a £19 million loan, agreed in 1983, to the Government of Indonesia's smallholder development programme to establish nucleus estate and smallholder tree crops and infrastructure. It will establish some 29,200 hectares of rubber and 12,000 hectares of oil palm, together with processing facilities, in the provinces of East and West Kalimantan. The project is expected to benefit directly about 16,000 smallholder families and provide full-time employment for some 4,000 people on the estates.

### Singapore

With limited natural resources, Singapore's prosperity was originally built on the role of commercial centre which, from its strategic location at the centre of the South-East Asian region, it has developed and exploited to the full. Its unique geographical position and the importance of its role as transport and communications centre provide the basis for the economic strength and record growth levels which Singapore now enjoys, having the highest *per capita* income in Asia after Japan.

Singapore is a traditional trading partner of Britain and in 1984 continued to be Britain's best customer in the region. Due in part to the considerable expansion and diversification which the Singapore market has undergone, however, Britain is now Singapore's fourth largest trading partner after Japan, the United States and Malaysia. The value of British exports has nonetheless increased from £271 million in 1979 to £556 million in 1984. They consist mainly of electrical and non-electric machinery, transport equipment and chemicals. Imports, which rose from £185 million in 1979 to £448 million in 1984, include rubber, organic chemicals, cork and wood products, office machines, data processing and telecommunications equipment and electrical machinery.

Britain's investment in Singapore's manufacturing sector has increased substantially in recent years from S$560 million to S$1,400 million by the end of 1981 in terms of gross fixed assets. Britain is now the second largest foreign investor in this sector with 16·3 per cent of all foreign investment. In addition, substantial local business is generated in the invisibles sector by British banks and other financial institutions, including trading houses and insurance groups, together with a growing number of consultancy firms operating from bases in Singapore and covering much of South-East Asia.

In 1984, contracts for telecommunications and cable systems worth £250 million and for mass rapid transit signalling and trackwork for Singapore's metro system worth £130 million were won by British companies in Singapore. These include an agreement signed in May by Standard Telephones and Cables of London to manufacture and install a new submarine telephone cable system between Singapore and Hong Kong.

## Diplomatic Immunities and Privileges

**Measures to restrict the abuse of diplomatic immunity and to apply stricter standards on the size of diplomatic missions, the handling of diplomatic bags, and breaches of the criminal law by diplomats are outlined in a government White Paper following a review of the Vienna Convention on Diplomatic Relations and in response to a report from the House of Commons Foreign Affairs Committee.**

The Government's review of the operation and enforceability of the Vienna Convention[1] arose from the events outside the Libyan People's Bureau in St James's Square, London, on 17 April 1984 when a police officer was killed by shots fired from the Bureau (see pp 161-3, 1984). It received added impetus when the attempted abduction of Mr Umaru Dikko took place on 5 July 1984 (see pp 254-5, 1984). Wider questions concerning immunity and privileges arose out of evidence considered by the Foreign Affairs Committee.[2] Because such abuses of diplomatic immunity caused serious and legitimate public concern, especially when leading to acts of terrorism, the Government decided to see whether it would be desirable and, if so, practicable either to propose amendments to the Convention or to apply more stringently any of its existing provisions in order to help prevent abuse; and to seek international support for measures to improve the operation and enforceability of the Convention. Two broad categories of abuse were studied, namely deliberate abuse of the diplomatic bag, diplomatic premises or diplomatic status for activities of a terrorist or political nature, and incidental abuse covering matters of a more personal nature such as breaches of the criminal law.

### Amendment of the Convention

Britain, the White Paper reports, has made extensive international soundings on the feasibility of amending the Convention through negotiation. However, because of the widespread consensus that attempts to do so would not succeed and would create more problems by opening up issues on which disagreements could surface and thrive, the Government has concentrated on examining areas of action within the existing framework: the creation of a climate of opinion to help prevent abuses and lead to firm action being taken against offending states or individuals; work on new international rules to clarify and, where appropriate, develop certain of the Convention's provisions; the strict application of existing provisions; and the introduction of restrictive but legally justifiable interpretations of specific provisions of the Convention. In so doing, the White Paper states, the 'main objective . . . has been, and will remain, to prevent abuse while protecting the overall interests of [Britain] as both a receiving and sending state'.

[1] *Diplomatic Immunities and Privileges: Government Report on Review of Vienna Convention on Diplomatic Relations and Reply to 'The Abuse of Diplomatic Immunities and Privileges'.* Cmnd 9497. HMSO, £3·30. ISBN 0 10 194970 7.

[2] *The Abuse of Diplomatic Immunities and Privileges.* First Report from the House of Commons Foreign Affairs Committee, Session 1984-85. HMSO, £8·40. ISBN 0 10 212785 9.

### International Action

Britain has played a leading role in international discussions to increase co-operation on the prevention of abuses of immunity for terrorist purposes. These led to the declaration of the 1984 London economic summit on international terrorism (see p 219, 1984) and to an agreement in September 1984 between foreign ministers of European Community member states on the co-ordination of measures to combat terrorism and the abuse of diplomatic immunity. New elements of practical co-operation have also been put into operation, notably exchanges of relevant information on diplomats and other security measures, and work by the European Community member states is continuing to ensure common and rigorous practices on such matters as the notification of staff, the size of diplomatic missions and the use of diplomatic premises. Bilateral exchanges have taken place with other governments and Britain is playing a full part in the work being carried out by the Council of Europe to follow up the resolution on terrorism and international organised crime adopted in May 1984 (see p 211, 1984).

### Notification of Staff

To prevent abuse of diplomatic privileges, notification requirements and procedures pertaining to the diplomatic, administrative and technical staff of missions to Britain have been revised and strengthened within the limits set by the Convention, and details sent to all heads of mission. The White Paper says that the Foreign and Commonwealth Office will take all practical steps to ensure that it has appropriate information at as early a stage as possible on all staff newly appointed to diplomatic missions in London.

### Size of Diplomatic Premises

Although ceilings have been imposed on a number of missions over the past 15 years, the Government has concluded that a general policy of restrictions is not justified. There has been no overall increase in the size of missions in the past ten years. The majority have not abused their immunity and the level of unacceptable activities will not necessarily be reduced by the imposition of overall limits. In the Government's view, a case by case approach remains the most appropriate means of dealing with existing problems of abuse or potential abuse. The discretion to limit the size of individual missions has been extended in certain cases and will continue to be applied in the future where there are grounds for doing so and where British interests will not be at undue risk.

The White Paper notes that there are no objective criteria for considering the size of a particular mission and whether a limit should be imposed. The Government applies a number of criteria: namely active involvement in espionage or terrorism, the pattern of behaviour of certain missions or governments suggesting possible future involvement in unacceptable activities, and a numerical comparison between the size of a mission in London and that of a British mission in the country concerned. In the light of these criteria the sizes of individual missions in London have been reviewed and staff levels are being queried in certain cases in order to obtain reductions.

### Diplomatic Premises

On diplomatic premises, the Government says that the main concern relates to incidents such as terrorist attacks or demonstrations taking place in their vicinity. Because of immunity the police are unable to enter and search a mission for evidence of criminal offences and illegal possession of firearms or explosives, except with the permission of the head of mission or the diplomatic occupant. To tackle the problems, however, a number of measures are being taken: appropriate administrative action in the event of abuse or suspected abuse, including withdrawal of diplomatic status from existing premises where they are not being used for purposes compatible with a mission's legitimate functions; the tightening of procedures on notification of the addresses and organisers of all diplomatic premises; the withdrawal of diplomatic status from the small number of tourist offices in London currently holding it; and consideration of proposals for legislation to control in exceptional circumstances the acquisition and disposal of diplomatic premises in London.

Consideration has also been given as to whether new measures are required to prevent demonstrations disrupting the peace of diplomatic missions, impairing their dignity, or becoming so provocative as to lead to violent incidents. Essential requirements are that the work of the mission should not be disrupted, that mission staffs are not put in fear and that there is free access for both staff and visitors. The police, notes the Government, are the best judges in each case of the controls required over a demonstration, since the preservation of the peace and security of a mission is essentially a matter of sensible policing practice rather than a question of law. They have, however, agreed in future to consult with the Home Office and the Foreign and Commonwealth Office before introducing any change of policy in relation to the policing of demonstrations outside missions. The general law on demonstrations is also being considered in the context of a review on public order, and conclusions will soon be announced.

### Diplomatic Bags

Measures to prevent abuse of the diplomatic bag have been considered, in particular the desirability and practicality of seeking international agreement on restrictions on the use of the bag, and the introduction of scanning. To be effective any agreed limitation on the use of the bag would have to carry with it the possibility of challenge and this could in itself be a deterrent against serious abuse. However, such agreement would be difficult to achieve for, although there is widespread concern internationally to prevent improper use of the bag and a number of states are anxious about threats to their own security arising from it, there is a marked reluctance to take any action that could endanger the security of communications. In addition, many states see no objection in principle to the carriage of arms in diplomatic bags for personal defence.

Britain has, however, made plain its concern about abuse of the bag in a variety of international meetings and bilateral exchanges. The question remains under scrutiny within the European Community, and the International Law Commission, responsible for the preparatory work leading to the Vienna Convention,

is currently considering new draft Articles on the status of the courier and the diplomatic bag. At a meeting of the Sixth Committee of the United Nations General Assembly in November 1984, Britain stressed the need to prevent the bag being used for the illicit importation of firearms, explosives and drugs.

The British Government remains ready to deal promptly and firmly with any exceptional cases of abuse. If the evidence is good that the contents of a bag might endanger national security or the personal safety of the public or of individuals, it will not hesitate to take the necessary action on the basis of the overriding right of self-defence or the duty to protect human life. Administrative measures have also been taken to tighten safeguards in order to check the official origin and endorsement of all items purporting to be diplomatic bags.

On the scanning of bags, Britain has decided against its introduction as a matter of routine, but the Government is ready to scan any bag on specific occasions where grounds for suspicion are sufficiently strong. It is also prepared to arrange for the recording of the weight and size of bags where there are specific grounds for doing so.

### Immunity of Diplomats from Jurisdiction

The Government stresses that criminal offences by those entitled to diplomatic immunity and serving in a representative capacity cannot be condoned. 'The main abuse lies, not so much in the comparative number of alleged offences (which is small) or in their relative gravity, but in the reliance on immunity to protect individuals for offences without any obvious connection to the efficient performance of the functions of a diplomatic mission.' Britain has, however, found no international support for the idea of bilateral or limited mutual agreements to waive immunity either generally or in specific cases. There would in any case be a risk that a restriction on immunity could in certain countries be exploited for political or retaliatory purposes against British diplomats and communities overseas.

The Government is therefore implementing the only realistic alternative, namely the introduction of an improved and more detailed code of practice based on a strict application of measures available under the Vienna Convention. In August 1984 heads of mission were asked for co-operation in waiving immunity or arranging for the withdrawal of staff who might be responsible for serious offences, and guidance is being issued to all diplomats newly appointed to London on the attitude likely to be taken in the event of any breach of British laws and regulations, including driving and shoplifting offences. As a general rule espionage and incitement to or advocacy of violence require an immediate declaration of *persona non grata*. Those involved in violent crime or drug-trafficking are also declared persona non grata unless a waiver of immunity is granted, while other offences, such as firearms offences, rape and fraud, lead to a request for withdrawal in the absence of a waiver of immunity.

In recent years reminders have been regularly sent to missions on regulations relating to the import, acquisition, possession and use of firearms and the grave view that is taken of any breach. In June 1984 missions were warned that any breach would normally result in a request for withdrawal of the offender and had been told that firearms certificates would not be issued for weapons for use by security staff of missions or personal protection of individuals. They are well aware of the role of the police's Diplomatic Protection Group and the care taken by the British Government to fulfil its responsibility to provide appropriate security protection.

A serious view is also taken of any reliance on diplomatic immunity from civil jurisdiction to evade a legal obligation or to impose on another party to a dispute the person's own view as to liability. The Foreign and Commonwealth Office remains ready to make representations calling for a waiver of immunity or for private arbitration where immunity from civil jurisdiction has prevented settlement of an apparently valid claim and where a direct approach to the head of mission has yielded no result.

# Bonn Economic Summit

**The economic summit of the heads of State or Government of seven Western industrialised countries, held in Bonn from 2 to 4 May, addressed itself to the aims of increasing economic growth, both among developed and developing countries, promoting employment opportunities, reducing protectionism in trade, stabilising the world monetary system and strengthening co-operation in environmental policies and in scientific and technological research. A separate political declaration was issued to mark the fortieth anniversary of the end of the second world war in Europe.**

**The 1986 summit is to be held in Japan.**

The seven heads of State or Government attending the summit were those of Britain, Canada, France, the Federal Republic of Germany, Italy, Japan and the United States, together with the President of the Commission of the European Community.

Describing the summit in a statement to the House of Commons on 7 May (*Hansard*, Vol 78, No 111, cols 625-6), the Prime Minister, Mrs Margaret Thatcher, said that the discussion and communiqué on economic matters had reflected the similarity between the approaches and policies of all seven governments. 'What was impressive . . . was the conviction of all represented there that lasting job opportunities can be created only if we maintain sound financial policies and open markets and remove disincentives and unhelpful regulations to foster a climate of more vigorous enterprise and initiative.'

Foreign ministers present at the summit, Mrs Thatcher stated, had discussed a number of international problems, and had condemned the brutal and continuing occupation of Afghanistan by the Soviet Union, and of Cambodia by Vietnam. The summit participants had also reaffirmed their determination to strengthen further the co-operation against terrorism agreed at the 1984 London summit (see pp 217-20, 1984 and p 154).

Finally, on Britain's initiative, the growing problems posed by drugs had been discussed, and it was agreed to set in hand work on further co-operative measures to combat the vicious drug trade.

## ECONOMIC DECLARATION

In their economic declaration the seven heads of State or Government ('the seven') said that world economic conditions were better than they had been for a considerable time. Since the last meeting, further progress had been achieved in bringing down inflation and strengthening the basis for growth. The recovery in the industrial countries had begun to spread to the developing world. The debt problems of the developing countries, though far from solved, were being flexibly and effectively addressed.

Nevertheless important challenges still had to be faced. The best contribution the seven could make to a lasting prosperity in which all nations could share was to pursue, individually and co-operatively, policies conducive to sustained growth and higher employment. The prosperity of developed and developing countries had become increasingly linked. The seven would continue to work with the developing countries in a spirit of partnership. Open multilateral trade was essential to global prosperity and an early and substantial reduction of barriers to trade was desirable. The functioning of the world monetary system needed to be more stable and more effective. Lastly, economic progress and the preservation of the natural environment were necessary and mutually supportive goals. Effective environmental protection was a central element in the seven's national and international policies.

### Growth and Employment

It had been agreed that the seven would:

**1** consolidate and enhance the progress made in bringing down inflation;

**2** follow prudent and, where necessary, strengthened monetary and budgetary policies with a view to stable prices, lower interest rates and more productive investment. Firm control would be exercised over public spending in order to reduce budget deficits, when excessive, and, where necessary, the share of public spending in gross national product;

**3** work to remove obstacles to growth and encourage initiative and enterprise so as to release the creative energies of their peoples, while maintaining appropriate social policies for those in need;

4 promote greater adaptability and responsiveness in all markets, particularly the labour market;

5 encourage training to improve occupational skills, particularly for the young;

6 exploit to the full the opportunities for prosperity and the creation of permanent jobs provided by economic change and technological progress.

Each head of State or Government had indicated the specific priorities for national policies. These would not only address domestic problems but at the same time contribute to an enduring growth of the world economy and a more balanced expansion of international trade.

*The United States*. It was essential to achieve a rapid and appreciable cut in public expenditures and thus a substantial reduction in the budget deficit. There was a need also for deregulation and for a reform of the tax system aimed at encouraging the efficient use of resources and stimulating new saving and investment.

*France*. It was necessary to continue bringing down inflation, to modernise the means of production and to improve employment, to control public spending and to combat social inequality. High priority was attached to education, research and investment in high technologies with a view to sustained growth.

*Britain*. The Government would continue to work to reduce inflation and to create the conditions for sustained growth. It would continue to keep public spending under strict control and maintain monetary discipline. It would promote the development of small and medium-sized businesses and advanced technological industries, and encourage initiative and enterprise and the creation of new job opportunities.

*The Federal Republic of Germany*. The Government attached high priority to strengthening the flexibility and vigour of the economy in order to achieve a lasting improvement in growth and to create new jobs. Small and medium-sized businesses needed to be especially encouraged as well as high technologies. The Government would continue to reduce the claims of the public sector on the economy, the budget deficit and the burden of taxation.

*Japan*. The Government considered it essential to persevere with its policy of budgetary discipline and strengthening market functions, particularly with a view to fostering investment. It intended to achieve further progress in deregulating financial markets, promoting the international role of the yen, facilitating access to markets and encouraging growth in imports.

*Italy*. The Government gave priority to the further reduction of inflation and of the public deficit, while sustaining growth and investment. Particular emphasis would be put on incentives to create small and medium-sized industries, especially in the field of high technology, and to promote employment, especially for young people.

*Canada*. The Government would focus on promoting investment and creating jobs in the private sector, on removing obstacles to sustained non-inflationary growth, on reducing the budget deficit and on restraining government expenditure. It would encourage entrepreneurial activities, with emphasis on the small and medium-sized business sectors.

In addition the Commission of the European Community stated that it attached high priority to completing a genuine internal market without barriers, which would eliminate rigidities and generate fresh economic growth on a Community-wide scale. A strengthened European Monetary System and closer economic convergence would further serve this end.

### Relations with Developing Countries

The seven stated that sustained growth in world trade, lower interest rates, open markets and continued financing in amounts and on terms appropriate to each individual case were essential to enable developing countries to achieve sound growth and overcome their economic and financial difficulties. Flows of resources, including official development assistance, needed to be maintained and, wherever possible, increased, especially to the poorer countries. In particular more stable long-term finance, such as direct investment from industrial countries, should be encouraged. The seven welcomed longer-term debt restructuring agreements between debtor countries and commercial banks. They continued to stand ready, where appropriate, to negotiate further multi-year reschedulings of debts to governments and government agencies.

They continued to encourage constructive dialogue with the developing countries in the existing international institutions with a view to promoting their economic development and thereby their social and political stability. Emphasis was placed upon the crucial role of, and the improved co-operation between, the International Monetary Fund and the World Bank Group in supporting policies by debtor countries necessary to strengthen the confidence of domestic and foreign creditors and investors, to mobilise domestic savings and to ensure efficient use of resources and sound long-term development. The seven agreed to work to ensure that these institutions were equipped with the necessary resources and instruments, and they stood ready to discuss an increase in resources available to the World Bank which might be necessary in the coming years. They remained concerned over the particular problems facing a number of developing countries that were neither among the poorest nor foremost among the group of major debtors. It was agreed that consideration should be given to easing the financial constraints of these countries on a case-by-case basis.

The seven were deeply concerned about the plight of the African peoples who were suffering from famine and drought, and welcomed the positive response from the citizens of the seven countries and from private organisations, as well as the substantial assistance provided by the governments of many countries and the establishment by the World Bank of the special facility for Subsaharan Africa (see p 74 and pp 106-8). The seven would continue to supply emergency food aid and would intensify co-operation with African countries to help them develop their economic potential and a long-term food strategy, based on their own agricultural programmes. They were prepared to promote increases in food production by supplying agricultural inputs such as seed, pesticides and fertilisers, within the framework of agricultural development projects. They agreed upon the need to improve the existing early warning systems and improve transportation arrangements. Political obstacles in the

countries concerned should not be allowed to stand in the way of the delivery of food to the hungry. The establishment of a research network on dry zone grains needed to be examined, and the seven would strengthen their co-operation with African countries in fighting against desertification. Continued efforts were needed by all countries in a position to contribute to any or all of this work. They called upon the Soviet Union and other Communist countries to assume their responsibilities in this regard. They had set up an expert group to prepare proposals for follow-up-measures to be reported to foreign ministers by September 1985.

### Multilateral Trading System and International Monetary System

Protectionism did not solve problems but created them, the declaration said. Further tangible progress in relaxing and dismantling existing trade restrictions was essential. New initiatives were needed for strengthening the open multilateral trading system and the seven strongly endorsed the agreement reached by the ministerial council of the Organisation for Economic Co-operation and Development (OECD) that a new GATT (General Agreement on Tariffs and Trade) should begin as soon as possible. Most of the seven leaders thought that this should be in 1986. It had been agreed that it would be useful for a preparatory meeting of senior officials to take place in the GATT before the end of the summer to reach a broad consensus on subject matter and ways of conducting such negotiations. It had been agreed also that active participation of a significant number of developed and developing countries in such negotiations was essential. The seven looked to a balanced package for negotiation.

It was also essential to improve the functioning of the international monetary system. The leaders noted that the finance ministers of the Group of Ten, at their meeting in Tokyo in June, intended to complete their current work on ways to improve the functioning of the monetary system and to put forward proposals to be discussed at the next meeting of the Interim Committee of the International Monetary Fund in Seoul in October, with a view to making the international monetary system more effective and more stable.

### Environmental Policies

New approaches and strengthened international co-operation were essential to anticipate and prevent damage to the environment. The seven would co-operate in order to solve pressing environmental problems such as acid deposition and air pollution from motor vehicles and all other significant sources. They would also address other concerns such as climatic change, the protection of the ozone layer and the management of toxic chemicals and hazardous wastes. The protection of soils, fresh water and the sea, in particular of regional seas, had to be strengthened.

They would harness both the mechanisms of governmental vigilance and the disciplines of the market to solve environmental problems, developing and applying the 'polluter pays' principle more widely. Science and technology had to contribute to reconciling environmental protection and economic growth.

Improved and internationally harmonised techniques of environmental measurement were essential. The seven invited the environmental experts of the technology, growth and employment working group (see below) to consult with the appropriate international bodies about the most efficient ways for achieving progress in this field.

The contribution made by the environment ministers to closer international co-operation on environmental concerns was welcomed. The seven said that they would focus their co-operation within existing international bodies, especially the OECD, and would work with developing countries for the avoidance of environmental damage and disasters world-wide.

### Co-operation in Science and Technology

The seven were convinced that international co-operation in research and technology in major projects should be enhanced to make maximum use of their countries' scientific potential.

They welcomed the positive response of the member states of the European Space Agency (ESA), Canada and Japan to the invitation of the President of the United States to co-operate in the United States' manned space station programme on the basis of a genuine partnership and a fair and appropriate exchange of information, experience and technologies. Discussions on intergovernmental co-operation in development and utilisation of permanently manned space stations would begin promptly. They also welcomed the conclusions of the ESA Council on the need for Europe to maintain and expand its autonomous capability in space activity, and on the long-term European space plan and its objectives (see pp 49-51).

The seven further welcomed the report from the technology, growth and employment working group on the work done in the 18 areas of co-operation[1] (inviting the group to complete its review by the end of 1985); the positive contribution which the ministerial conference on technological development held in Venice had made towards a wider acceptance of the role of technological change in promoting growth and employment; and the results of the Rambouillet conference on bioethics. The Federal Republic of Germany was thanked for its willingness to host a symposium on neurobiology in 1986.

## POLITICAL DECLARATION

On the fortieth anniversary of the ending of the second world war, the seven acknowledged their duty to uphold peace, freedom and justice in their countries and in the world. They also reaffirmed their commitment to democratic principles and human rights and to assuring the maintenance of societies in which individual initiative and enterprise could flourish and the ideals of social justice, obligations and rights be pursued. These aims could be secured, and the opportunities and challenges presented by technological and industrial change met, more effectively in partnership. The European Community, which was the

[1] *Report on the Environment by the Technology, Growth and Employment Working Group.* Cmnd 9500. HMSO, £6·30. ISBN 0 10 195000 4. Commissioned by the London summit, the report was published in April.

embodiment of reconciliation and common purpose, was growing in membership, strength and prosperity and the partnership of North America, Europe and Japan was a guarantee of peace and stability in the world.

Deploring the division of Europe, the seven restated their commitment to lower by peaceful means the barriers within Europe. They believed that the CSCE process (see pp 48-9, 1984), with its promise of enhancing human rights, provided an opportunity to increase confidence, co-operation and security. They looked forward to a state of peace in which the German people could retain their unity through free self-determination and hoped that in Asia the division of the Korean peninsula could be overcome in freedom.

The seven states reaffirmed their determination to preserve peace while protecting democratic freedoms, and, to that end, undertook to maintain and strengthen a stable military balance at the lowest possible level of forces, neither seeking superiority nor neglecting defence. They strongly supported the negotiation of meaningful reductions in nuclear arms, limitations on conventional arms, the banning of chemical weapons and lessening the risks of conflict. They also reaffirmed their respect for genuine non-alignment as an important contribution to international security and peace, and stated that they would help developing countries to fight hunger and disease and to build free and prosperous societies.

# Industrial Disputes: International Comparisons

**Britain has maintained its broadly middle-ranking position in an international comparison of industrial disputes in 1983 as it did during the period 1974 to 1983 as a whole.**

The latest available data on international disputes statistics are contained in an article in the Department of Employment's *Employment Gazette* for April 1985 (HMSO, £2·95, ISBN 0 11 727619 7). Statistics are given for 20 members of the Organisation for Economic Co-operation and Development. The countries included are slightly different from those given in the international comparisons for 1973-82 (see pp 230-2, 1984); in particular, the United States has been excluded from the most recent analysis because of a major change in the coverage of its recorded disputes to include only large stoppages. The article notes that considerable care must be taken when making detailed comparisons because of the different coverage of each country's statistics. Although the statistics are useful in indicating approximate levels of the effects of stoppages, especially recent trends, they should not be seen as providing a definitive comparison between countries.

Table 1

**Working Days lost in Industrial Disputes per 1,000 Employees in all Industries and Services 1974-83**

| | | | | Average* | | |
|---|---|---|---|---|---|---|
| | 1981 | 1982 | 1983 | 1974-78 | 1979-83 | 1974-83 |
| Britain | 200 | 250 | 180 | 380 | 500 | 440 |
| Australia | 780 | 410 | 320 | 690 | 590 | 640 |
| Austria | † | † | † | † | † | † |
| Belgium | *na* | *na* | *na* | 240 | (130) | (210) |
| Canada | 890 | 610 | 460 | 990 | 750 | 860 |
| Denmark | 320 | 50 | 40 | 90 | 110 | 100 |
| Finland | 340 | 110 | 360 | 490 | 360 | 420 |
| France | 90 | 130 | 90 | 210 | 120 | 170 |
| Federal Republic of Germany | † | † | † | 60 | 10 | 30 |
| Greece | 480 | 840 | *na* | (660) | (1,020) | (870) |
| Irish Republic | 510 | 510 | 400 | 700 | 730 | 720 |
| Italy | 720 | 1,270 | 960 | 1,410 | 1,190 | 1,300 |
| Japan | 10 | 10 | 10 | 130 | 20 | 70 |
| Netherlands | 10 | 50 | 30 | 10 | 30 | 20 |
| New Zealand | 360 | 300 | 350 | 340 | 350 | 340 |
| Norway | 20 | 170 | † | 70 | 50 | 60 |
| Portugal | 280‡ | 170 | *na* | (130) | (210) | (190) |
| Spain | 680 | 370 | 590 | 1,030 | 970 | 1,000 |
| Sweden | 50 | † | 10 | 30 | 250 | 140 |
| Switzerland | † | † | † | † | † | † |

*na* = not available.
*Annual averages for those years within each period for which data are available, weighted for employment. Brackets indicate incomplete data.
†Less than five days lost per 1,000 employees.
‡Only an estimated 85 per cent of stoppages were recorded in 1981.

Table 2

**Working Days lost in Industrial Disputes per 1,000 Employees in Selected Industries (Mining and Quarrying, Manufacturing, Construction, and Transport and Communications 1974-83**

| | 1981 | 1982 | 1983 | Average* 1974-78 | Average* 1979-83 | Average* 1974-83 |
|---|---|---|---|---|---|---|
| Britain | 330 | 460 | 330 | 760 | 1,000 | 870 |
| Australia | 1,710 | 910 | 590 | 1,400 | 1,230 | 1,320 |
| Austria | † | † | † | † | † | † |
| Belgium | *na* | *na* | *na* | 460 | (250) | (400) |
| Canada | 1,870 | 1,410 | 600 | 2,140 | 1,430 | 1,770 |
| Denmark | 720 | 100 | 80 | 190 | 250 | 220 |
| Finland | 570 | 220 | 380 | 880 | 540 | 710 |
| France | 160 | 260 | 160 | 300 | 220 | 260 |
| Federal Republic of Germany | 10 | † | † | 90 | 10 | 50 |
| Greece | 720 | 920 | *na* | *na* | (940) | (940) |
| Irish Republic | 950 | 650 | 570 | 1,060 | 1,310 | 1,190 |
| Italy | 950 | 1,920 | 1,490 | 1,650 | 1,700 | 1,680 |
| Japan | 20 | 20 | 20 | 220 | 30 | 130 |
| Netherlands | 10 | 60 | 40 | 30 | 70 | 50 |
| New Zealand | 760 | 670 | 810 | (890) | 760 | (810) |
| Norway | 40 | 390 | 10 | 130 | 120 | 130 |
| Portugal | 490‡ | 290 | 430 | *na* | (370) | (370) |
| Spain | *na* | *na* | *na* | 1,680 | *na* | (1,930) |
| Sweden | 60 | † | 10 | 20 | 480 | 240 |
| Switzerland | † | † | † | 10 | † | † |

*na* = not available.
*Annual averages for those years within each period for which data are available, weighted for employment. Brackets indicate incomplete data.
†Less than five days lost per 1,000 employees.
‡Only an estimated 85 per cent of stoppages were recorded in 1981.

### General Comparisons

Table 1 shows the number of working days lost per 1,000 employees in employment for each of the 20 countries. Considerable variation occurs between individual years, and five-year or ten-year comparisons between countries are considered more appropriate than annual comparisons. The figures indicate that in just over half the countries the number of working days lost per 1,000 employees fell between the first five-year period (1974-78) and the second (1979-83). Although this did not occur in Britain, the figure for 1979-83 was affected by a particularly high level of days lost in 1979 when there was a major dispute involving engineering workers, but the figures for 1981 to 1983 were considerably below the average for both 1979-83 and 1974-83. In 1979-83 Britain lost an annual average of 500 days per 1,000 employees, which represented about half a working day per employee per year, and Britain's average was substantially exceeded by Italy, Greece, Spain, Canada, the Irish Republic and Australia.

### Disputes in Selected Industries

Table 2 gives statistics of working days lost in four broad sectors of industry which are especially prone to disputes: mining and quarrying, manufacturing, construction, and transport and communications. The incidence of working days lost in these industries is very broadly about twice the level for all industries and services combined. Britain occupied a middle-ranking position for the period 1974-78, but moved towards the higher end of the scale in 1979-83. Figures for the latter period were again affected by the high level of days lost in 1979, while the statistics for 1981 to 1983 were below the average for 1974-83.

## Insolvency Bill

**The Insolvency Bill, which has received an unopposed second reading in the House of Commons, is designed to ensure that those who act as insolvency practitioners are fit and competent, to counter abuses of the privilege of limited liability, to improve procedures for rehabilitating insolvent businesses, and to modernise and simplify the law on corporate and personal insolvency.**

The need for a major overhaul of insolvency legislation was both urgent and compelling, said the Parliamentary Under-Secretary of State for Trade and Industry, Mr Alex Fletcher, when introducing the Bill on 30 April (*Hansard*, Vol 78, No 107, cols 141-219). The need for a thorough-going review had become apparent by the mid-1970s after 25 years of particularly rapid innovation in Britain's financial and commercial systems. A review committee, chaired by Sir Kenneth Cork, had been set up in 1977 and had reported in

1982 (see p 259, 1982), concluding that existing insolvency law and procedures were no longer capable of meeting the requirements of a modern society and that fresh legislation of a comprehensive nature was required. The Government accepted this conclusion and, having undertaken consultations with interested bodies and individuals, first on the basis of the Cork report and later on the White Paper, 'A Revised Framework for Insolvency Law' (see p 100, 1984), was introducing the Bill in order to achieve the radical reforms judged necessary.

Mr Fletcher indicated that the Government would be introducing a number of amendments during the Bill's passage.

### Insolvency Practitioners

Unfortunately, Mr Fletcher said, a minority of practitioners engaged in questionable activities to the detriment of creditors. Adopting the recommendations of the review committee, the Bill provided that a person would not be qualified to act as an insolvency practitioner unless he had a certificate authorising him to act and had provided security (such as fidelity insurance) for the performance of his functions. A person would not be qualified to act in a particular case, furthermore, unless he was independent of the company or person concerned. In the case of associates, the Government was still considering where the line should be drawn with regard to conflicts of interest. The Government was also still consulting with the main accountancy and legal bodies about the delegation of the Secretary of State for Trade and Industry's functions concerning the issue of certificates. It was expected that approved delegated bodies would have qualifying examinations for membership and effective disciplinary procedures and could demonstrate that their members had knowledge of insolvency work. These provisions on insolvency practitioners would not apply to receivers appointed by fixed charge (as opposed to floating charge) holders.[1]

### Abuses of Limited Liability

Limited liability was a privilege that was an essential element of a successful commercial and financial system. Abuse of it had to be punished in the interests of consumers and the business community generally. The Bill additionally sought to restore a proper balance between limited liability and the protection of creditors, by ensuring that those concerned in the management of companies diligently monitored the financial circumstances of their businesses and confronted difficulties at an early stage. The Bill therefore required the Official Receiver or voluntary liquidator to report to the Secretary of State if they detected conduct that made a director unfit to be concerned in the management of a company. If it were found that a disqualification from directorship was in the public interest, the necessary application to the court would be made. The Government accepted that there should be guidelines on unfit conduct and a time limit in relation to this provision; amendments would be brought forward as the Bill progressed, Mr Fletcher said.

The introduction of the concept of wrongful trading would be of major benefit in discouraging reckless conduct by a director. The Bill therefore provided that, where the court made a declaration of wrongful trading, directors would be made personally liable for the debts of their companies. This liability would be incurred if before the liquidation the director knew or ought to have concluded that the company was becoming insolvent and that there was no reasonable prospect that its creditors would be paid. In particular this provision would tackle the 'phoenix syndrome' where a director of successive insolvent companies carried on what was essentially the same business.

### Company Rescue: Administrators

The Bill provided for a new procedure to be established – the company administration procedure – under which the court could appoint an administrator to a company if it considered that this would promote either the company's rehabilitation or restructuring through the sale of parts of the business as going concerns. As the availability of a breathing space was a key element in a company rescue, the administration procedure provided for a statutory moratorium on all actions and proceedings against a company, including creditors' rights to enforce their security.

The Bill also sought to remedy deficiencies in the existing law relating to receivers appointed under floating charges over a whole company. In particular it dealt with the receiver's lack of accountability to unsecured creditors and it clarified the law relating to a receiver's powers and duties.

### Corporate and Personal Insolvency Codes

The Bill's fourth major area of reform, Mr Fletcher said, was the restatement in modern form of the corporate and personal insolvency codes – accounting for nearly three-quarters of the Bill's 211 clauses. It was essential that modern codes reflected the commercial world in which they had to operate, to ensure that causes of commercial failure were the subject of close enquiry, both in the interests of those who had suffered financially and in the public interest to promote a healthy business environment. Adopting many of the review committee's recommendations, the Bill overhauled the antiquated bankruptcy code contained in the Bankruptcy Act 1914 and modernised or replaced many of the provisions of companies legislation (recently consolidated in the Companies Act 1985).

As a result of the new procedures, time-consuming and routine tasks which currently fell to the Official Receiver and his staff would be swept away. In future they would be able to concentrate on investigative and protective work more effectively. The simplified procedures would also mean that insolvency practitioners who acted as liquidators and trustees would be able to carry out their duties without unnecessary bureaucracy and expense.

### Taxes and Public Utilities

Mr Fletcher lastly drew attention to the abolition under the Bill of the preferential status of certain company debts, namely assessed taxes such as corporation tax, some income tax and rates. However, collector taxes (such as value added tax and Pay-As-You-Earn, which are collected by businesses on behalf of the Government) would retain preferential status since they represented sums that were never the property of the company or individual and it would be wrong if, on insolvency, such moneys were distributed to private

[1] A fixed charge is one which has no relation to the amount of business done, such as rent, rates, or a charge for work done. A floating charge is one on the floating assets of a company, such as its cash or stock.

creditors. The Government would also be bringing forward amendments to prevent the principal utilities (gas, electricity, water and telephones) from securing more favourable treatment than other creditors.

## Industrial Awards

**The Queen's Awards for Export and Technology for 1985 were announced on 21 April. There were 90 winners of awards for export achievement and 29 for technological achievement. The recipients represent a wide spread of industrial and commercial activity and size of company: Scotland, Wales, Northern Ireland and all the regions of England are represented.**

**The winners of the 1984-85 Export Awards for Smaller Businesses received their awards on 2 April. These awards are sponsored by the British Overseas Trade Board and three companies.**

The winners of the various awards are listed below. Winners of awards for technological achievement are listed together with the development for which they received an award. Further information can be obtained from The Queen's Awards Office, Dean Bradley House, 52 Horseferry Road, London SW1P 2AG and The British Overseas Trade Board, 1 Victoria Street, London SW1H 0ET.

### QUEEN'S AWARDS

The Queen's Awards for Export and Technology are published annually on 21 April (the Queen's birthday). They are made on the advice of a committee consisting of representatives of industry and commerce as well as civil servants and trade unionists. Instituted in 1965 and revised in 1975 (see pp 443-4, 1975), the awards can be made to British companies and to subsidiaries of overseas companies. Recipients hold their awards for five years and may display the award emblem on their goods, advertising, letterheads, and on articles for use by employees. A current holder of an award may apply for consideration in subsequent years in respect of a new achievement beyond that recognised by the previous award.

The 119 winners of awards in 1985 were chosen from 1,095 applicants, 133 more than in 1984. This year 18 awards were made to companies currently holding an award.

#### Export Achievement

Export achievement awards are made for 'a substantial and sustained increase in export earnings to a level which is outstanding for the products or services concerned and for the size of the applicant unit's operations'.

#### Technological Achievement

The awards in this category are made for a 'significant advance, leading to increased efficiency, in the appli-

#### Export Achievement Awards

A & M Hearing Aids
Aerial Access Equipment
Amek Systems & Controls
Anglo Blackwells
Armstrong Competition Motorcycles
Associated Retail Development International
Autotype International
Barnett International
Beacon Publications
Heavy Media Separation Division of Birds Commercial Metals
Henry Boot International
Bridge of Weir Leather
Brightside Mechanical & Electrical Services Group
Prestwick Unit of the Civil Division of the Aircraft Group of British Aerospace
Brown Brothers & Co
James Burrough
Carrington Hull Associates
Coopervision Optics
Coutinho Caro UK
DB Factors
Data Recording Heads
Donvand T/A Gulliver's Travel Agency
Dunkirk Metals
Edendeck
Ferranti Electronics
First Inertia Switch
Flogates
Floorlife-Andek
Foster Wheeler Petroleum Development
Franklin Hodge Industries
Garrett Airesearch
HR & H Marketing Research International
Harrods
Hazleton Securities
Houbigant
The House of Darts
Hydraroll
Plant Protection Division of Imperial Chemical Industries
Jaguar Cars
Justerini and Brooks
The Walter Kidde Company
Kigass Engineering
Kirkpatrick Linron (Ballyclare)
Linear
Link Systems
Linton and Hirst
Longdin & Browning (Surveys)
The Lygon Arms
Frimley Unit of Marconi Command and Control Systems
James Martin Associates
Mayer Newman & Co
Mitchell Cotts Chemicals
Morgan-Bryant Marketing
Mostyn Chemicals
Naim Audio
Netlon
Oilfield Inspection Services
Oxford Magnet Technology
Pipeline Induction Heat
Redpath Dorman Long
Regent Belt Company
John Reid and Sons (Strucsteel)
Renishaw Metrology
Saga Holidays
Scanro
Schmidt Manufacturing and Equipment (UK)
Sheppard Robson
Aircraft Division of Short Brothers
Silver Spring Mineral Water Co
Singer Link-Miles
Soundcraft Electronics
Spectramass
Spheric Engineering
Medal Division of Spink and Son
TM Services
Tame Valley Alloys
Charles Tanqueray and Co
Tape Automation
Thermaflex
Thorn EMI Screen Entertainment
John R. Timme and Son
Tiphook Container Rental Company
Titan Converting Equipment
Trusthouse Forte
Tusting and Burnett (1938)
Tweedvale Woollens
United Pig Breeders
Vista Optics
Windsong Record Exports
Yardley and Co

**Technological Achievement Awards**

| | |
|---|---|
| BP Petroleum Development | offshore oil-drilling techniques |
| Research Department of The Boots Company | Ibuprofen, an antirheumatic drug |
| Civil Division of The Aircraft Group of British Aerospace | BAe 146 commercial passenger aircraft |
| Optical Materials and Low Loss Fibre Section of British Telecom Research Laboratories | single mode optical fibre |
| Celltech | large-scale production of monoclonal antibodies |
| City Technology | toxic gas sensors |
| Cossor Electronics | radar system |
| Crosfield Electronics | electronic publishing |
| Datron Instruments | programmable calibrator |
| Domino Printing Sciences | high speed ink-jet printing |
| Dunlop Slazenger International | carbon fibre tennis rackets |
| Filtronic Components | electronic microwave filters and multiplexers |
| Airborne Display Division of GEC Avionics | head-up display systems |
| GEC Transmission and Distribution Projects | electric traction control system |
| Glaxo Group Research | 'Zantac', an anti-ulcer drug |
| Hurley Moate Engineering Company | splicer system for joining reels of paper |
| Mainframe Systems Division of ICL | Content Addressable File Store-Information Search Processor |
| Interface Developments | diamond-impregnated abrasive cloth |
| Lucas Cookson Syalon | advanced engineering ceramics |
| National Coal Board, Mining Research and Development Establishment | dust filtration system |
| Oxford Magnet Technology | magnet systems for magnetic resonance scanners |
| Picker International | magnetic resonance imaging |
| Quantel | electronic graphic system |
| Rank Film Laboratories | film printing system |
| Pharmaceutical Division of Reckitt and Colman Products | Buprenorphine, a painkiller |
| Rendel Palmer and Tritton | design and supervision of the Thames Flood Barrier |
| Rotabolt | screwed fastener load indicator |
| Sira | thermal emission stress analysis instrument |
| Wellcome Research Laboratories of the Wellcome Foundation | 'Zovirax', a drug effective against the herpes group of viruses |

cation of technology to a production or development process in British industry, or the production for sale of goods which incorporate new and advanced technological qualities'.

### EXPORT AWARDS FOR SMALLER BUSINESSES

These awards are sponsored by the British Overseas Trade Board, Midland Bank, British Caledonian Airways and Thomas Cook Ltd. They are now in their sixteenth year and are designed to recognise, reward and ultimately to increase outstanding export achievement. They are open to independent British firms with not more than 200 employees. Entrants must show a proven increase in their net export earnings over their most recent consecutive two-year accounting period and in the second year exports must have exceeded £100,000. Each winning company receives £3,000 of business travel, £1,000 of business travel expenses and £1,000 for an approved purpose to the benefit of the winner's employees, as well as a trophy and a certificate.

The 1984-85 awards were presented by the Secretary of State for Foreign and Commonwealth Affairs, Sir Geoffrey Howe, at a ceremony chaired by Lord Jellicoe, the Chairman of the British Overseas Trade Board. The winning companies were Bloomer Electronics, Denford Machine Tools, Greenfields Exports, Inverallan Knitters and Witton Chemical Company.

The winners were selected from 225 eligible entrants, a 20 per cent increase over 1983-84. The five winners had a combined total of 155 employees and combined exports of £4·7 million, giving an average of £30,000 of exports per employee. The companies averaged a 183 per cent increase in export earnings in the relevant period.

## Shorter Notes

### BRITISH AEROSPACE

The Government's residual shareholding in British Aerospace (see p 54) was offered for sale on 1 May. Some 97 million ordinary shares, together with 50 million new ordinary shares issued by the company, were offered for sale at a price of 375p per share, of which 200p was payable on application and the remainder by 10 September. All the shares were underwritten. The offer closed on 10 May and was heavily

oversubscribed. Applications from existing shareholders for 23 million shares, and from company employees for 3 million shares, are to be allocated in full, while institutional priority applicants, who between them had applied for all of the shares, have been allocated some 81 million (55 per cent of the total). Some 40 million shares thus remain to be allocated to the general public, who in fact made 264,000 applications amounting to 790 million shares. Members of the public who applied for up to 20,000 shares are being allocated between 100 and 275 shares, depending on the number applied for. No allocation is to be made in respect of some 4,000 applicants who asked for more than 20,000 shares. The Government is to retain a special share in the company to ensure that without its consent no change can be made to British Aerospace's policy of restricting foreign ownership of shares and requiring the directors to be British nationals.

Sources: *Hansard*, Vol 78, No 108, col 255, and Vol 79, No 115, col 40.

## ALVEY PROGRAMME

A series of over 50 research projects on 'Intelligent Knowledge Based Systems' (IKBS), considered of major importance to the future application of computers, has been approved as part of the Alvey Programme for advanced information technology, a five-year collaborative research programme (see p 170, 1983, and pp 181-2, 234, and 312, 1984). The projects will cost about £20 million, of which £12·5 million will be provided by the Alvey Directorate and the rest by industry, and include work on novel computer architectures, logic programming languages, expert systems (program systems which model the knowledge of a human expert, and can use this to generate new knowledge), natural language understanding and image understanding. They will involve 28 different firms, ranging from major systems companies to small software houses, and 26 universities, polytechnics and other research institutions. The projects are intended to establish the necessary technology upon which subsequent industrial and commercial applications of IKBS can be based.

Announcing the projects on 18 April, the Parliamentary Under-Secretary of State for Education and Science, Mr Peter Brooke, said: 'There has been growing realisation over the last few years of the future importance of Intelligent Knowledge Based Systems in industry and commerce, and indeed to many other human activities. Developments in IKBS have grown out of academic research into aspects of artificial intelligence carried out over the past two decades. In this British universities have played a prominent part.' Mr Brooke also welcomed the Alvey Directorate's IKBS Awareness Programme, which is intended to bring to the notice of a wide range of organisations the importance of IKBS techniques, and the Directorate's 'community clubs'. These consist of between 15 and 25 companies, each of which contributes up to £10,000 to a fund, which is then matched by the Alvey Directorate. The fund is used to commission the development of an expert system to specifications selected by the club. Clubs have been established in areas such as banking, quantity surveying and process control.

Source: Department of Education and Science press notice, 18.4.85.

# Surrogacy Arrangements Bill

**A Bill to prohibit the operation in Britain of commercial surrogacy agencies which recruit women as surrogate mothers, and to ban the advertising of surrogacy services, has received a second reading on a free vote in the House of Commons.**

### Provisions of the Bill

Surrogacy is the practice whereby a woman agrees to become pregnant, with the intention that the resulting child should be handed over to another couple – usually the child's father and his wife. The Surrogacy Arrangements Bill, which extends to the whole of the United Kingdom, prohibits the recruitment of women as surrogate mothers and the negotiation of surrogacy arrangements by agencies acting on a commercial basis. It also prohibits the advertising of, or for, surrogacy services whether by agencies, surrogate mothers or commissioning parents. Offences relating to agency activities carried out on a commercial basis would carry a penalty of three months imprisonment or a fine not exceeding £2,000, or both; offences relating to advertising would be punishable by a fine only of up to £2,000.

The decision to introduce the Bill was taken by the Government as a result of increasing public concern following a widely-publicised case in January 1985 in which a mother received payment for a baby from a commercial agency acting on behalf of a commissioning couple.

### Government Views

Introducing the debate on the second reading of the Bill on 15 April (*Hansard*, Vol 77, No 96, cols 23-56), the Secretary of State for Social Services, Mr Norman Fowler, said that the Bill was strictly limited in its extent, and did not attempt to deal with all the issues raised in the Warnock report on Human Fertilisation and Embryology published in July 1984 (see pp 323-5, 1984). Those issues ranged from the legal status of surrogate children to proposals concerning a statutory licensing authority to oversee research connected with infertility. The Government accepted that the proper way to deal with these complex issues was by a comprehensive piece of legislation, which would be introduced as soon as practicable. However, it had decided that separate legislation should be introduced as a matter of urgency on the particular question of commercial surrogacy, in view of the considerable public concern following the case of the surrogate mother in January. The case had illustrated the kind of difficulties and dangers already mentioned in the Warnock report, which had recommended the banning of commercial surrogacy. In the consultation which had followed the publication of the report, the overwhelming response was that commercial arrangements should be prohibited.

The arguments against commercial surrogacy were very strong, said Mr Fowler. The Government did not allow commercial arrangements in adoption cases, since the paramount concern had to be the interests of the child, and the same argument applied to surrogacy. It was, he believed, simply unacceptable to sell children, whether before or after birth. The prime aim of the measure was to outlaw commercial agencies, not to penalise the infertile couple who might be driven by their plight to making a surrogacy arrangement. Neither did the Government want to penalise the surrogate mother, who might genuinely consider that she was helping another woman who was unable to carry a child by making parenthood possible for her.

### Other Views

Speaking on a personal basis, Mr Michael Meacher, chief official Opposition spokesman on health and social security, said that, though he supported the principle underlying the Bill, it was unfortunate that the commercial aspect of surrogacy was being divorced from a wider consideration of the general framework within which surrogacy should be handled. The case for criminalising commercial agencies that procure surrogate motherhood was clear, but the Bill left unresolved the wider surrogacy issue. The use of surrogacy where money was not involved should not be wholly ruled out, although it should be considered only as a final resort.

The Liberal member Mr Alan Beith said that the difficulties of dealing with the moral problems raised by the Warnock report had been seriously underestimated. Important and urgent matters such as surrogacy and experimentation on human embryos could not wait for comprehensive legislation. While it was therefore necessary to introduce a limited measure, some of the other problems raised by surrogacy might continue to cause difficulties, and not all of them need have been excluded from the Bill.

# Shorter Notes

## CODE OF PRACTICE ON EMPLOYMENT

A code of practice on employment designed to eliminate sex discrimination and promote equal opportunities at work was published by the Equal Opportunities Commission in April. It lays down guidelines for employers, trade unions, and individual workers on the requirements of the Sex Discrimination Act 1975 (see pp 165-7, 1975) supported by examples of good practice. The code has been approved by Parliament, and may be used by an employee in an industrial tribunal if he or she believes that an employer has failed to take steps to eliminate discrimination.

The code has two main sections. Part 1 states the requirements of the law and gives practical suggestions on compliance in areas such as recruitment, advertising, interviews, promotion, terms of employment, grievances and redundancy. On recruitment, for example, it says that to set an unjustifiable age limit for potential staff could amount to unlawful indirect discrimination by working against women who have taken time off work for child-rearing. All advertising, employment and training material should be checked to see that it does not present men and women in stereotyped roles.

Part 2 of the code seeks to give effect to the spirit of the law, and centres on the recommendation that employers should formulate a written equal opportunities policy, communicate it to all employees and monitor it regularly to ensure that it continues to work in practice. Positive measures might include special training for work previously done only by men or women; and allowing part-time or flexi-time work, adequate parental leave for both sexes and provision of childcare facilities for staff who might otherwise be lost to employment because of family commitments.

Speaking at the launch of the code on 30 April, the Secretary of State for Employment, Mr Tom King, said that in order to succeed, Britain would have to make the most of all its resources. Equal opportunities mattered, because the potential of women in management and in many professional and skilled occupations was still badly neglected. Women now comprised 40 per cent of the labour force – the second highest percentage in the European Community – but only 16 per cent of managers. Equal opportunities could never be achieved by legislation alone. A revolution in public attitudes was needed, which required a constant process of persuasion and example by employers, employees and trade unions. The Government therefore gave its fullest backing to the code, since it gave sound practical advice to employers on what could be done to achieve equal opportunities.

Sources: Equal Opportunities Commission press notice, 30.4.85; Department of Employment press notice, 30.4.85

## TATE GALLERY IN THE NORTH OF ENGLAND

Plans for the development of a second Tate Gallery in Liverpool, to be called the 'Tate in the North', have been approved by the Government. (The Tate Gallery in London is the national gallery of British and modern European art.) The gallery will be developed at a cost of £9·5 million at a once-derelict warehouse site in the Albert Dock which is already being converted into a complex of shops, restaurants, offices and housing. The first phase, costing £6·5 million, will provide 1,700 square metres of gallery space and is due to open in 1988; £4·5 million will be provided by the Merseyside Development Corporation, £500,000 by the Government, and the balance will be raised by the trustees of the Tate from private donations. When the final phase is completed, the gallery will provide 4,000 square metres of space on four exhibition floors, which is half the size of the gallery in London.

The gallery will present one major exhibition every summer and a programme of smaller shows throughout the year, and also display selections of modern art from the Tate Gallery's permanent collection. At present, lack of space at the London gallery means that less than one-quarter of the works in the collection can be shown to the public. Substantial parts of the permanent collection will be shown alternately in London and Liverpool. Particular emphasis will be placed on the gallery's education services for schools. It is hoped initially to attract 500,000 visitors a year.

The architect of the new gallery is James Stirling, whose recent work has included museums in Stuttgart and Harvard University, and who also designed the Clore Gallery, due to open in London in 1986 to house the Tate's collection of paintings by J. M. W. Turner.

Source: Tate Gallery information sheet, March 1985.

# DOCUMENTATION

## Government and Administration

*Acceptance of Outside Appointments by Crown Servants: Government Observations on the Eighth Report from the Treasury and Civil Service Committee 1983–84.* This White Paper contains the Government's acceptance, in full or in part, of the majority of the Committee's recommendations. As a result, measures are to be introduced to ensure greater consistency in the implementation of the rules throughout the Civil Service and the armed forces. The Government also proposes to keep the working of the system under review and to publish regular statistical reports covering all applications from officers at all grades. The Committee's proposal to increase the maximum period of delay for acceptance of outside appointments from two to five years was rejected because of the risk of inhibiting movement between the public and private sectors which the Government is keen to encourage. Cmnd 9465. HMSO, £2·70. ISBN 0 10 194650 3.

*Refugees and Asylum, with special reference to the Vietnamese.* Third Report from the House of Commons Home Affairs Committee, Session 1984-85.

Vol 1. Report. HMSO, £4·65. ISBN 0 10 290685 8.

Vol 2. Evidence and Appendices. HMSO, £9·90. 0 10 290785 4.

*Codification of the Criminal Law: A Report to the Law Commission.* This report, prepared at the Law Commission's request, examines the case for a criminal code and contains a draft criminal code bill which demonstrates how the general principles of criminal liability described in the report might be enacted. Law Commission Report No 143. HMSO, £9·90. ISBN 0 10 227085 6.

*The Magistrates' Courts (Advance Information) Rules 1985* (see pp 148-9). HMSO, 80p. ISBN 0 11 056601 7.

## External Affairs and Defence

*Diplomatic Immunities and Privileges. Government Report on Review of the Vienna Convention on Diplomatic Relations and Reply to 'The Abuse of Diplomatic Immunities and Privileges.* (see p 153). Cmnd 9497. HMSO, £3·30. ISBN 0 10 194970 7.

*Developments in the European Community, July–December 1984.* HMSO, £5. ISBN 0 10 194850 6.

*Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Establishment of a British Consulate-General at Shanghai and a Chinese Consulate-General at Manchester.* Cmnd 9472. HMSO, £1·75. ISBN 0 10 194720 8.

*Statement on the Defence Estimates 1985.*

Vol 1. Cmnd 9430-I. HMSO, £4·50. ISBN 0 10 194300 8.

Vol 2. (Defence Statistics.) Cmnd 9430-II. HMSO, £5. ISBN 0 10 194301 6.

*The Protection of Military Information: Government Response to the Report of the Study Group on Censorship.* Cmnd 9499. HMSO, £1·85. ISBN 0 10 194990 1.

## Economic and Scientific Affairs

*The 1985 Budget.* Eighth Report from the House of Commons Treasury and Civil Service Committee, Session 1984-85. Comments on the formulation of the Government's economic policy in the Budget period, and strongly recommends that changes in National Insurance arrangements should be fully debated at all stages. HMSO, £9·90. ISBN 0 10 230685 0.

*Financial Documents and Budget Papers.* Seventh Report from the House of Commons Treasury and Civil Service Committee, Session 1984-85, together with the proceedings of the Committee and appendices. Contains the Government's observations on the Committee's Second Report, on the presentational aspects of Budget documents and Supply Estimates. The Committee finds that improvements have been made, but recommends a new Budget document to supersede the Financial Statement and Budget Report. HMSO, £2·50. ISBN 0 10 232385 2.

*Britain's Budget 1985-86.* (Reproduced from *Survey of Current Affairs.*) COI, No 241/85.

*Department of the Environment: The Operation of the Rate Support Grant System.* A report by the Comptroller and Auditor General. National Audit Office. The report says that while the general structure of the system is well designed for its purposes, its detailed arrangements and subsequent additions detract from those purposes. New classifications of objectives are suggested as a starting-point for improvements to the system. HMSO, £4·30. ISBN 0 10 231385 7.

*Capital Expenditure Controls in Local Government in England: A Report.* Audit Commission for Local Authorities in England and Wales. HMSO, £4·60. ISBN 0 11 701280 7.

*The Stock Exchange: Membership and Constitution.* Contains proposals for changes in the membership rules which are to be voted on in June 1985. The main proposals are that existing 5p shares in the Exchange be split into 1p shares and made transferable; that member firms should hold a fixed number of shares; and that non-members should be allowed to acquire up to 100 per cent ownership of member firms instead of 29·9 per cent at present, on condition that firms acquire extra shares if non-member ownership exceeds 50 per cent. Firms wishing to trade as both brokers and market makers (see p 222, 1984) will be allowed to do so from March 1986. Available free from Information and Press Department, The Stock Exchange, London EC2N 1HP.

*The Future Structure of the Gilt-Edged Market: The Bank of England's Dealing and Supervisory Relationships with Certain Participants.* Sets out the Bank's intentions for its relations, within a proposed new structure for the market in government stocks, with the dealers (or 'market makers') in such stocks and the arrangements for those providing ancillary services – Stock Exchange money brokers and inter-dealer brokers. Available free from the Bank of England, Threadneedle Street, London EC2R 8AH.

*Overseas Project Board. Fourth Report.* British Overseas Trade Board. Describes Britain's participation in the increasingly competitive world market for major project business. Available free from Projects and Exports Policy Division 1A, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

*Export Credits Guarantee Department: Fixed Rate Export Finance.* A report by the Comptroller and Auditor General. National Audit Office. Examines the Government's efforts to contain the costs of its interest support for bank loans advanced to finance exports. HMSO, £3·10. ISBN 0 10 227685 4.

*Advisory, Conciliation and Arbitration Service Annual Report 1984.* Available free from ACAS, 11-12 St James's Square, London SW1Y 4LA (or local ACAS offices). ISBN 0 906073 19 7.

*Proposals for Changes in Skillcentres.* Second Report from the House of Commons Employment Committee, Session 1984-85. HMSO, £12. ISBN 0 10 212585 6.

*Employment Policy and Youth Training in Britain.* (Reproduced from *Survey of Current Affairs.*) COI, No 258/85.

*Annual Report of the Director General of Fair Trading 1984.* Office of Fair Trading. HMSO, £7·20. ISBN 0 10 232785 8.

*The United Kingdom Food Processing Industry.* A report commissioned by the Agricultural and Food Research Council, the Ministry of Agriculture, Fisheries and Food and the Science and Engineering Research Council. Available from the Technical Change Centre, 114 Cromwell Road, London SW7 4ES. £10. ISBN 0 946892 15 6.

*Insolvency Bill: the Family Home.* A consultative document issued to coincide with the Insolvency Bill (see p 160). Available unpriced from the Department of Trade and Industry, Insolvency Service, Room 517, Sanctuary Buildings, 16 Great Smith Street, London SW1P 3DB.

*Development of the Oil and Gas Resources of the United Kingdom 1985.* An article summarising the main developments will appear in the June edition of *Survey of Current Affairs.* Department of Energy. HMSO, £9·50. ISBN 0 11 411565 6.

*Financing of Public Transport Services: The Buses White Paper.* Second Report from the House of Commons Transport Committee, Session 1984-85.

Vol 2. Minutes of Evidence. HMSO, £15·40. ISBN 0 10 288485 4.

Vol 3. Appendices. HMSO, £12·70. ISBN 0 10 288185 5.

(For publication details of Vol 1 see p 143.)

*Halley's Comet.* (Reproduced from *Survey of Current Affairs.*) COI, No 259/85.

*National Metrological Co-ordinating Unit. Annual Report 1983-84.* Available free from Consumer Affairs Division 1, Department of Trade and Industry, Millbank Tower, Millbank, London SW1P 4QU.

*Report on the Environment by the Technology, Growth and Employment Working Group.* The report describes the state of scientific knowledge in six areas of environmental policy: air pollution, toxic and radioactive wastes, marine pollution, pollution of soils and waters, land husbandry and climatic change. It identifies a number of areas in which further research is needed and where international collaboration on research and development would be valuable. The report was commissioned by the London economic summit in 1984 (see p 219, 1984) and submitted to the Bonn economic summit in May 1985 (see p 158). Cmnd 9500. HMSO, £6·30. ISBN 0 10 195000 4.

*Control of Environmental Pollution in Britain.* COI, No 83/85.

*The Wealth of Waste.* Fourth Report from the House of Commons Trade and Industry Committee, Session 1983-84. HMSO, £9·90. ISBN 0 10 264084 X.

*The Wealth of Waste: Observations by the Government on the Fourth Report of the House of Commons Trade and Industry Committee, Session 1983-84.* Second Special Report from the House of Commons Trade and Industry Committee, Session 1984-85. It was

announced on 15 April that, in addition to presenting these observations to the Committee, the Government was responding to the 'Wealth of Waste' report by designating the Parliamentary Under-Secretary of State at the Department of Trade and Industry, Mr David Trippier, as Minister with special co-ordinating responsibilities for issues relating to reclamation and recycling of waste. He will combine this with his present responsibility for small firms. HMSO, £2·50. ISBN 0 10 232185 X.

*Report of a Review of the Control of Pollution (Special Waste) Regulations 1980.* The report by a joint review committee set up to consider the effectiveness of these regulations in ensuring that the disposal of hazardous waste is safe and environmentally acceptable, concludes that there is a significant problem in enforcing the regulations and this has resulted in the illicit disposal of some toxic wastes. The committee suggests detailed changes to the scope and application of the regulations and proposes that the list of substances subject to control should be kept under regular review. Available from Publication Sales Unit, Departments of the Environment and Transport, Building 1, Victoria Road, South Ruislip, Middlesex HA4 0NZ. £5·95.

*Hazardous Waste Disposal: Government Response to the First Report of the Select Committee (Session 1980-81).* Third Report from the House of Lords Select Committee on Science and Technology, Session 1984-85. HMSO, £2·50. ISBN 0 10 412685 X.

## Social and Cultural Affairs

*University Grants Committee Annual Survey – Academic Year 1983-84.* The Committee's main function is to advise the Government on the funding of the universities and on their future development. Cmnd 9489. HMSO, £3·70. ISBN 0 10 194890 5.

*Reforms in School Education.* (Reproduced from *Survey of Current Affairs.*) COI, No 260/85.

*Mathematics from 5 to 16.* A discussion paper published by Her Majesty's Inspectors of Schools in the 'Curriculum Matters' series which sets out the aims and objectives for the teaching of mathematics from age 5 to 16. HMSO, £2. ISBN 0 11 270577 4.

*Equal Opportunity Policies, Procedures and Practices in Employment* (see p 166). Equal Opportunities Commission Code of Practice. HMSO, £1·50. 0 11 701279 3.

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